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September 29, 1995

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VIA HAND DELIVERY

SEP 29 1995

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, DC 20554

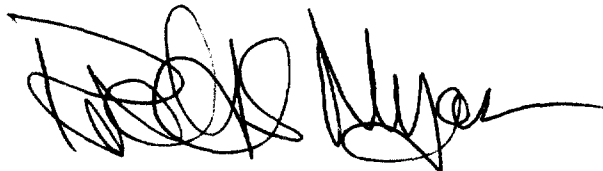
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Re: Written Ex Parte Presentation by TeleCellular de Puerto Rico, Inc.  
Docket No. 93-144

On behalf of TeleCellular, enclosed is an original and one copy of a written ex parte presentation submitted on this date to Ms. Rosalind Allen, Chief of the Commercial Wireless Division of the Wireless Telecommunications Bureau, pertaining to the above referenced docket.

If you have any questions regarding this matter, please contact the undersigned.

Very truly yours,



Richard S. Myers  
Counsel for TeleCellular de Puerto Rico, Inc.

Enclosure

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**Written Ex Parte Presentation by TeleCellular de Puerto Rico,  
Inc. To FCC Staff**

TeleCellular de Puerto Rico, Inc. ("Telecellular") is a joint venture of SMR licensees organized to provide wide area, digital, mobile telecommunications service to the island of Puerto Rico. TeleCellular, by this written ex parte presentation to the FCC staff, offers comments on the staff's recommendations to the full Commission in Docket No. 93-144.

**Bidding Credits and Installment Payments should be made available to small business bidding for licenses in the upper channels.**

Telecellular believes that the staff should reexamine its proposed recommendation that small businesses only be provided with bidding credits and installment payments when bidding for licenses in the lower 80 and GX channel blocks and not for licenses in the upper 200 channel block. Unlike PCS, in which a Block C license is equivalent to a Block A or Block B license for the same geographic area, a license in the upper 200 channels will likely be significantly superior to a license in the lower 80 or GX channels due to the ability of wide area upper 200 channel licenses to mandatorily relocate incumbent licenses to the lower 80 and GX channels, subject to adoption of comparability rules. In addition, mandatory relocation of incumbent licensees to the lower 80 and GX channels, will crowd these channels with licensees, thus limiting the capacity available (and future growth) to a wide area licensee.

Accordingly, if a small business wide area licensee is to have a meaningful opportunity to compete with larger businesses, as mandated by Congress' directive to the FCC, then a small business will require an upper 200 wide area license. In determining whether small businesses should be entitled to bidding credits and installments when bidding for licenses in the upper 200 channels, the Commission should rely upon the record developed in PP Docket No. 93-253 (In the Matter of Implementation of Section 309(j) of the Communications Act - Competitive Bidding) wherein it was established that small businesses require both bidding credits and installments payments in order to effectively compete with larger, better capitalized businesses.

In adopting a channel block plan, the Commission should locate the 120 channel license closest to the lower 80 channels and GX channels, followed next by the 60 channel license, followed by the 20 channel license which would be furthest from the lower 80 channels.

An upper 200 channel wide area licensee will have the right, subject to comparability rules, to relocate incumbents to the lower 80 or GX channels. There is a compelling public interest that this relocation be handled in the manner designed to cause the least disruption and interference to the customers served by these relocated incumbents. With respect to the channel plan, this means that the 120 channel block, which is most likely to contain the largest number of incumbents, should be located closest to the lower 80 and GX channels, to which incumbents will be relocated, and that the 60 channel block should be located next to the 120 channel block, with the 20 channel block located furthest from the lower 80 and GX channels.<sup>1</sup>

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<sup>1</sup>For the same public interest reason, the Commission should not adopt a 120/20/60 channel block design.